

The Honorable
The Director of the
Bureau of the Budget
Bureau of the Budget
Washington 25, D. C.

APR 7 1950

Dear Mr. Pace:

The approval of the Bureau of the Budget is desired for CIA to request the Congress to repeal Section 9 of the Central Intelligence Agency Act of 1949 (Public Law 110, 81st Congress).

Section 9 reads as follows:

"SEC. 9. The Director is authorized to establish and fix the compensation for not more than three positions in the professional and scientific field, within the Agency, each such position being established to effectuate those scientific intelligence functions relating to national security, which require the services of specially qualified scientific or professional personnel: PROVIDED, That the rates of compensation for positions established pursuant to the provisions of this section shall not be less than \$10,000 per annum nor more than \$15,000 per annum, and shall be subject to the approval of the Civil Service Commission.

The original intent of Section 9 was to authorize the employment by CIA of three top-flight scientists in the field of foreign scientific intelligence at salaries of between \$10,000 and \$15,000 per annum. This authority was necessary at the time because of the overall statutory pay ceiling of \$10,350 per annum.

Subsequently the Classification Act of 1949 was passed, which raised the Government pay ceiling to \$14,000 per annum. CIA was specifically exempted from the provisions of the Classification Act, but the Comptroller General has ruled that the Agency is not subject to the old \$10,350 ceiling, nor is it bound by the numerical limitations of the Classification Act. So specifically stated, however, that the existence of Section 9 in the CIA Act limits this Agency to three positions in the scientific intelligence field at

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salaries above \$10,000. This situation is, we believe, inconsistent with the intent of Congress in the Classification Act and an unnecessary and unintentional limitation on the scientific personnel requirements of this Agency.

Since Section 9 of the CIA Act is now not only unnecessary but also in conflict with present needs and policies, this Agency wishes to secure its total repeal. We request, therefore, that you authorize this Agency to request the Congress to repeal Section 9 of the CIA Act, and to state that this request is in accord with the legislative program of the President.

Sincerely,

Signed

R. H. HILLENKOTTER
REAR ADMIRAL, USN
DIRECTOR OF CENTRAL INTELLIGENCE

WLP/LRH:blc
Central Records
Signer
Return to General Counsel
Burr. of Budget, Mr. Barber

✓ Subject
Dems.